



First Program Year Action Plan for 2010-2015 Consolidated Plan

The CPMP First Annual Action Plan includes the [SF 424](#) and Narrative Responses to Action Plan questions that CDBG, HOME, HOPWA, and ESG grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations. The Executive Summary narratives are optional.

Narrative Responses

GENERAL

EXECUTIVE SUMMARY

Please see the Executive Summary in the Strategic Plan for comments regarding both the 2010-2015 Consolidated Plan and the 2010-2011 Annual Action Plan.

Geographic Distribution of Assistance

According to the 2000 Census, the population in Lynchburg was 65,269 and the MSA was 223,317. White citizens account for 66.6% of the City's population, African-American citizens' account for 29.7%, and the remaining 1.5 percent is made up of two or more races. The Hispanic/Latino population was at 1.3%. The median household income was \$32,234 and the number of persons below poverty was 16.4% of the population. The current unemployment rate is 9.3%.

Minorities in Lynchburg tend to be concentrated in the older portion of the City that is identified as Census Tracts 4, 5, 6, 7, 11, 12, and 13. Minority concentration is defined as a census tract with a minority population of greater than 40%. This area, with the addition of Census Tract 14, corresponds to the area where a majority of persons are low- and moderate-income as defined by the United States Department of Housing and Urban Development (HUD) and are the Census Tracts in which the Community Development Block Grant (CDBG) and HOME funds are distributed in the Annual Action Plan.

Basis for Allocating Investments

The City of Lynchburg's Consolidated Action Plan draws attention to the housing needs and services in seven contiguous census tracts that comprise the CDBG targeted area: Census Tracts 4, 5, 6, 7, 11, 12, and 13. This area comprises the central city neighborhoods of Lynchburg that surround the Downtown Central Business District. Demographics and surveys in these neighborhoods indicate that this is where the highest degree of housing problems exists, where the most blight is observed, and where most of the City's low- and low-to-moderate-income persons reside.

The 2000 Census reported the median family income for a family of four in Lynchburg as \$32,234, slightly more than that of the 1990 Census. This compares to an income range of \$14,000 - \$24,000 in the target census tracts. Incomes in these neighborhoods are significantly lower than incomes city-wide. A disproportionate number of non-whites live in the target market (66.6%) while the city-wide non-white population is 33.4% of the population.

In 2000, Lynchburg had 25,477 occupied housing units (a slight increase since the 1990 census). Of these, 38% were rental units (10,573), and 54% were owner-occupied (14,903). The rental vacancy rate was at 8% while vacancies of units for-sale were only 2%. The Citywide median value of owner-occupied property was \$85,300, according to 2000 census data, compared to an average home value of \$42,400 in the target census tracts. Since each census tract in the target CDBG area contains at least one historic district in which property values and purchase prices are quite high, this average value is not fully reflective of actual property conditions throughout the target census tracts. While property values are seen as relatively low for owner-occupied units in the target neighborhoods, the average rents there are higher than the City average.

African-American households experience the burden of housing problems more so than any other category of residents. A greater percent of African-American renters (45%) experience housing problems, when compared to the percentage of all renters (38%) with housing problems. A greater percentage of African-American homeowners (24%) experiences housing problems than do their white counterparts (13%).

Addressing Obstacles to Meeting Underserved Needs

The City will continue to cooperate with local non-profits, neighborhood groups, and others to address obstacles to meeting the underserved need, foster and maintain affordable housing, remove barriers to affordable housing, evaluate and reduce lead based paint hazards, develop institutional structure, enhance coordination between public and private housing and social services agencies, and foster public housing improvements, and resident initiatives. Agencies and groups that coordinate this effort are the Lynchburg Neighborhood Development Foundation (LNDF), Housing and Homeless Coalition of Central Virginia, Lynchburg Community Action Group (Lyn-CAG), Rebuilding Together Lynchburg, Lynchburg Redevelopment and Housing Authority (LRHA), Code Enforcement Task Force, and the Lynchburg Department of Social Services.

City Resources

The following are the federal, state, and local resources expected to be made available to address the needs identified in the Annual Action Plan.

Federally-funded City Programs

Shelter Plus Care Program

The City of Lynchburg received \$320,700 in HUD funds in 2002 for the Shelter Plus Care Program. This funding was provided for a five-year period. In March 2010 there was a one-year renewal grant that was issued in the amount of \$106,488.

The program provides rental assistance to approximately ten housing units. The overall goal of this grant is to identify homeless persons, ready for permanent housing, and offer additional time, financial assistance, and services to reinforce their own resources, skills and motivation to live independently and achieve self-sufficiency. The City conducts the program in collaboration with LNDF and Miriam's House. Participants must be considered homeless, have a documented disability, and must cooperate with necessary services. LNDF secures the housing and Miriam's House provides services. Funds are received through the Supportive Housing Program.

Federal Housing Programs – Nonprofits Supportive Housing

The following agencies will receive \$375,610 McKenny Vento Homeless Act funds through the Supportive Housing Program.

Applicant	Project	Amount
Lynchburg Community Action Group	The Family Living Center	\$ 44,665
Lynchburg Neighborhood Development Foundation	The Cornerstone	\$ 64,748
Miriam's House	HMIS	\$ 21,357
Miriam's House	Supportive Housing	\$ 87,252
Rush Lifetime Homes, Inc	Rush Homes	\$ 51,100
	Total:	\$ 375,610

Community Development Financial Institution (CDFI): The U.S. Treasury has supported the development of financial institutions that primarily operate in distressed communities and offer credit to low- and moderate-income households. Lynchburg Community Loan Fund (LCLF) is a newly formed CDFI that provides housing loans in the form of subordinate mortgages for the purchase and repair of homes. The investment area includes the more blighted areas of the City of Lynchburg, and the target population is borrowers earning at or below 80% of the Area Median Income (AMI). In operation for three years, LCLF received seed funds from CDBG and has provided loans in excess of \$80,000 to the target population.

Historically, the larger banking community has been the major investors in CDFIs. This has been seen in Lynchburg as several local banks offered long-term pledges of contributions to LCLF for its loans. As a non-profit CDFI, LCLF can obtain grant funds to reduce the costs of funds and further spread its resources. As it grows, LCLF will consider additional loan products, such as facilities lending, and expanding the territory it serves under Treasury certification. The Board of LCLF is conducting strategic planning to conduct feasibility studies of such expansion and the effect on the original target market.

State Housing Programs

State program funds are funneled to the City through other non-profit organizations, which assist with homeownership and weatherization of homes for low-income residents.

Central Virginia Regional Loan Fund: LNDF receives approximately \$800,000 per year in regional loan funds from the Commonwealth of Virginia. These funds can be used for first-time buyers in the form of low-interest loans, either in rehabilitation or new construction in the Central Virginia Planning District. These funds are available to persons under 60% area median family income (AMFI) who can qualify for low-interest mortgage funds. City HOME dollars and other private agencies supplement these funds with subordinate, forgivable loans to cover down payment and closing costs.

Affordable Housing Preservation Program: Funds from this flexible source distributed by the Virginia Department of Housing and Community Development (DHCD) have been used by several housing development agencies including Rush Homes and LNDF. Coupling these funds with other funds specifically directed to projects serving special needs populations has resulted in a significant increase in the number of accessible houses available in Lynchburg.

Private Equity Investment through Tax Credit Programs

Federal Low Income Housing Tax Credits (LIHTC)

This source of financing affordable housing development has been used in Lynchburg since the program's inception in the mid 1980s. Several groups have used this program, including New Land Samaritan Inns, which has operated the Gateway for approximately 8 years. The Gateway serves as transitional housing for up to 23 men who were formerly homeless, and who agree to undergo treatment for substance abuse and/or training to improve work skills. Miriam's House is a similar program for women and their children.

Other scattered site projects have been developed for affordable rental housing throughout the City using a combination of private equity investment and federal rental assistance programs. Most recently two projects, College Hill Homes and Central City Homes, have used LIHTC to develop 65 affordable rental units through renovation and adaptive re-use of existing houses and building throughout Lynchburg's central city neighborhoods. In some cases, buildings were donated to the projects from LRHA, and the City has invested HOME funds in both.

Federal and State Historic Preservation Tax Credits

Lynchburg is a historic city and one that, over a century ago, was the second wealthiest city in the country on a per-capita basis. It was a port and distribution center on the James River and its leadership was comprised of wealthy merchants. Therefore, the housing stock, especially in the older city, is of excellent quality and unusual design and architecture. Preserving these buildings has not always been a City priority but, in recent years has taken on major significance. The Lynchburg Historical Foundation (LHF) is a non-profit organization that supports preservation efforts and works with local professionals and residents to maintain this important part of the City's history. LHF also works with other organizations such as Lynchburg College's Center for the History and Culture of Central Virginia to research and develop the record of Lynchburg's past. As revitalization of the City's downtown continues the momentum and preservation will be a critical issue in terms of construction and in terms of funds. Many local residents, businesses, and non-profit organizations have begun to use the federal and state historic tax credits

and enterprise zone tax credits. The amount of investment from the sale of these credits has increased substantially since the State credits have become effective.

The investment opportunities in the development of historic properties in Virginia are two-fold. In addition to credits against federal income tax liability, investors can also seek credits against state income tax liability. A combined maximum of 25% of the cost of approved basis is available for tax credits under the state program and 20% is available under the federal program. This incentive for investors to participate in the revitalization of the City, its downtown, and its residential neighborhoods is a positive boost to the City's plans for the future.

New Market Tax Credits

The City has benefited from equity investment as the private sector has utilized this mechanism for some downtown projects and for projects included in the vision of the Fifth St. Master Plan. In all cases, the City has invested in the projects and supports the ongoing work of its partners to increase the private resources available to assist in implementing its plans.

Local Programs

Code of Ordinances

The Code of Ordinances of the City of Lynchburg authorizes City Council to designate rehabilitation districts and to waive customer availability charges for connection to the water and sewer systems. Non-profit housing developers may petition Council for the above designation when redeveloping residential property for low- and moderate-income households. This program is frequently used by Habitat for Humanity. Real estate tax relief is available to the elderly and persons with disabilities earning \$30,000 or less per year, with a net worth of \$60,000 or less excluding the house in which they live. The City may also exempt from real estate taxes for 10 years, the increase in value of a house 25 years old or older, which has been rehabilitated. There are also tax incentives provided to businesses that locate within the two designated enterprise zones.

Because of this cost-to-value disparity, there are several incentives that the City offers to private and corporate entities interested in development in the targeted census tracts. Businesses located in the enterprise zone benefit from tax exemptions on improvement and other tax incentives.

Code Enforcement

The City through its Neighborhood and Environmental Services Program supports neighborhood revitalization by providing code enforcement of existing structures in need of repair, and the enforcement of the abandoned vehicle program, the weed enforcement/inmate labor program, and the illegal dumping program. The goals of the program include strengthening cooperation between residents, businesses, religious organizations, non-profit agencies, and City departments to improve the livability of neighborhoods. One example of this type of collaboration exists in the creation of the Code Enforcement Task Force chartered by City Council. The Task Force develops and implements a coordinated and focused long-term strategy to improve living conditions through consistent code enforcement, thereby facilitating a positive impact on the quality

of life in Lynchburg. This group conducts bi-monthly neighborhood walk-throughs to see and hear citizen concerns first-hand.

Private Resources

Greater Lynchburg Habitat for Humanity provides new single-family housing for purchase by low- and moderate-income families. Habitat has constructed 200 such houses to date using mostly private donations and significant support from the churches and faith communities. The City has provided some CDBG funds to cover the costs of water and sewer connection fees, and land acquisition. Habitat serves the low- and very low-income population able to purchase a home. The City continues to encourage Habitat to renovate historic homes in the CDBG eligible area. This preserves the fabric of our historic neighborhoods and prevents further deterioration and vacancy in these areas.

The City will continue to cooperate with local non-profits, neighborhood groups, and others to address obstacles to meeting undeserved need, foster and maintain affordable housing, remove barriers to affordable housing, evaluate and reduce lead based paint hazards, develop institutional structure, enhance coordination between public and private housing and social service agencies, and foster public housing improvements and resident initiatives. Agencies and groups that coordinate this effort are the LNDF, Housing and Homeless Coalition, Lyn-Cag, LRHA, Code Enforcement Task Force, and the Lynchburg Department of Social Services.

According to LRHA's 2010-2015 Public Housing Authority Plan (PAH) the estimated amount of Section 8 Tenant-Based Rental Assistance for Calendar Year 2010 is \$3,780,376.

LNDF anticipates receiving \$3.3 million in Low-Income Tax Credit during Program Year 2010.

The City of Lynchburg does not expect to receive any funds from the Housing and Economic Recovery Act and the American Recovery and Reinvestment Act during the 2010 Annual Action Plan year.

LNDF will receive \$1 million in Neighborhood Stabilization Program funds to leverage and address priority needs in the 2010 Annual Action Plan year.

Managing the Process

The lead agency for the development and submittal of the Annual Action Plan is the Department of Community Development, Grants Administration Division of the City of Lynchburg. Within this lead agency is a Grants Administration Team that includes staff from the Grants Administration Office and the Finance Department. This Team is responsible for the contracting, administration, organization, and preparation of the Plan and will coordinate with the public, private, and non-profit entities through which it will carry out the Plan.

The Grants Administration staff used local news media and non-profit agencies serving the low-to-moderate income persons to broaden public participation in the development of the Action Plan, including outreach to minorities and non-English speaking persons and persons with disabilities.

Primarily, the City's strategies will be conducted in the various partnerships the City enjoys with the public and private housing developers, health, and social service providers operating in the City and in the region. These include public partners, such as LRHA, Lynchburg Health Department, and several private non-profits such as Lyn-CAG, LNDF, Rush Homes, The Gateway, YWCA of Central Virginia and Miriam's House. These and others work separately and collectively, along with City staff, on projects that achieve the goals stated by City Council.

Citizen Participation

The Grants Administration office ensured that the Community Development Advisory Committee (CDAC) and City Council were kept advised of the annual consolidated planning process.

In accordance with the City's adopted Citizen Participation Plan below is a summary of the public meetings and public hearings that were held to allow citizens the opportunity to participate and comment on the development of the Annual Action Plan in conjunction with the goals and objectives established for the 2010-2015 Consolidated Plan.

It is the intent of the City of Lynchburg to encourage and facilitate the participation of residents of the City in the formulation of priorities, strategies, and funding allocations in the Consolidated Plan and Annual Action Plan. In addition to public meetings and hearings, copies of the draft Annual Action Plan were made available for public review at the following locations in and throughout the City:

- Community Development Department, Grants Administration Division, Second Floor, City Hall, 900 Church Street, Lynchburg, Virginia 24504
- Lynchburg Public Library, 2311 Memorial Avenue, Lynchburg, Virginia
- Downtown Branch Library, City Hall, Basement Floor, 900 Church Street, Lynchburg, Virginia 24504
- Community Development Department, Grants Administration Division website

CDAC held meetings on January 7, 2010 and April 7, 2010 to discuss the application process, allocation of CDBG and HOME funds and to establish their priorities for Fiscal Year 2010-2011. The areas of priority were as follows:

- 1) Homeowner Assistance
- 2) Housing Rehabilitation Activities
- 3) Public Facilities and Improvement Activities
- 4) Public Service Activities
- 5) CHDO projects

The acceptance and application process for CDBG and HOME program funds for Fiscal Year 2011 began on February 9, 2010 and ended on February 26, 2010. In accordance with the process outlined in the City's Citizen Participation Plan, a notice was published

in *The News and Advance* on February 13, 2010, indicating the acceptance of applications for funding programs, projects and activities under the CDBG and HOME Programs. The advertisement indicated the expected amount of funding for both programs.

The City received 21 applications for CDBG funding and 6 applications for HOME funding. Prior to the receipt of applications, the Community Development staff held a Technical Assistance Workshop on February 16, 2010. Organizations and individuals making application for funding, as well as others interested in the process, attended and received information. City staff used this opportunity to discuss the application process, which included a numeric rating system, and the requirements for funding under both the CDBG and HOME programs.

CDAC conducted a public meeting on April 7, 2010 and received information from staff regarding the Annual Action Plan allocation of project funds. CDAC reviewed the summary allocation worksheet and the various requirements for the allocation of funds for administration, non-public service, public service and the HOME Program. There was also discussion regarding the score sheet that would be utilized by CDAC in evaluating the applications. City staff advised CDAC that the City's allocation from HUD is higher than anticipated. CDAC and public that were present were advised that a public hearing would be conducted on the application requests for funding before a decision would be made for the recommendations to City Council.

Due to an oversight a public notice was not published in the local newspaper, however, all applicants were notified of the planned CDAC meeting. Notices were placed in various public viewing areas in City Hall. Therefore, CDAC proceeded with the above discussion in preparation for the public hearing on May 11, 2010.

CDAC conducted a public hearing on May 11, 2010 and reviewed all project applications. Prior to CDAC reviewing and discussing the project applications, the Committee received public comments regarding the Annual Action Plan and the project applications submitted for review by the various non-profit and for-profit agencies.

Fourteen (14) persons spoke regarding the respective applications and the proposed use of the CDBG and HOME funds. In summary, fourteen (14) individuals spoke in support of the following projects: Business Development Center, The Gateway, Inc., C Street Zion Baptist Church, Virginia University of Lynchburg, PRIS, PLC, YWCA Town Center, Jubilee Family Development Center/STEM Center, and LNDF. One citizen spoke in opposition to funds being allocated to LNDF and Bluffwalk.

Based on these comments and the discussion held by the members of CDAC, CDAC made recommendations to City Council for projects that they concluded would be most beneficial to the low and moderate income persons within the targeted neighborhoods and within the broad national goals established by HUD of providing decent housing, a suitable living environment and expanding economic opportunities.

On June 8, 2010, City Council conducted a public hearing to allow citizen input regarding the CDAC Annual Action Plan recommended projects. A public notice advertisement was placed in *The News and Advance* on May 24, 2010 advising the public of this hearing.

Fourteen (14) persons spoke regarding the CDAC recommendations. Eight (8) individuals spoke in support of the following projects: Miriam's House, Camp Kum-Ba-Yah, The Gateway House, Inc., LNDF – Hilltop Homes, LNDF Tinbridge Hill New Construction, Interfaith Outreach Association, YWCA – Town Center, Smart Beginnings, LRHA. Six (6) individuals spoke expressing their concerns regarding the funding request for the following projects: PRIS, PLC, C. Street Zion Baptist Church, and Hill City Football and Cheerleading. One citizen expressed concern regarding the funding of the previously-approved Section 108 loan project and the funding of a local non-profit housing development agency, LNDF.

On June 22, 2010 the recommendations of CDAC were discussed at a City Council work session. The Council representatives on CDAC presented this matter. After a brief discussion it was a full consensus to support and adopt the recommendations of CDAC with a clerical correction being made for the allocations being awarded to LRHA.

On June 28, 2010 a public notice was published in *The News and Advance* stating that a draft of the proposed 2010-2011 Annual Action Plan was available for public review for a thirty-day public comment period. The advertisement for the Annual Action Plan included the projects approved by City Council at its June 22, 2010 meeting along with the projects from previous years that were being reprogrammed into the 2010-2011 Annual Action Plan projects. (See Appendix "A")

The City received one written comment during the public comment period. This written comment was received by the same individual (a former City employee, an Administrative Services Associate, who worked in the Department of Community Development Department and whose employment with the City ended in early January 2010 due to the realignment of budget resources) that spoke at the CDAC public hearing on July 13, 2010. The written comment included a series of 14 items which predominantly focused on process and personnel related matters rather than the substance of the activities planned for the Annual Action Plan and Consolidated Plan periods. A copy of these comments will be submitted to HUD as a separate document should the citizen provide the City with a copy of the document.

In addition, a written comment was received via e-mail on July 29²⁰¹⁰, the day after the 30 day comment period closed. While submitted as a written comment on the Annual and Consolidated Action Plans, it focuses as well on "...questions concerning the process of the CDAC grant applications." This comment does not address any issue related to the substance of the activities planned for the Annual Action Plan and Consolidated Plan periods.

On August 10, 2010 City Council conducted the final public hearing to allow citizen input regarding the 2010-2015 Consolidated Plan and the 2010-2011 (FY 2011) Annual Action Plan.

One citizen provided comments on the Plans. The citizen expressed her concerns that grant funds were being allocated without regard to "agencies of color". She also noted her dislike of City Council's decision to continue to fund Bluffwalk with CDBG money which results in fewer grant funds being eligible for other applicants in need of funding.

The Chair and Co-chair (two City Council members) of the Community Development Advisory Committee noted that the Committee made funding recommendations to City Council based on the City's Consolidated Plan Goals. It was further noted that CDAC recommendations to City Council could not have been made on including or excluding "agencies of color" since such demographic information regarding agencies is not a part of the application process.

The public hearing was closed since there were no other speakers. City Council unanimously approved the Consolidated and Annual Action Plans.

There were no public comments that were not considered by CDAC or City Council in the development of the Consolidated Plan and Annual Action Plan. Dr. Michael Gillette, Chairman of CDAC, stated at the CDAC and City Council public hearings that while all of the organizations are worthy of the allocations and that the decisions made would be no reflection of the quality of services provided by each applicant, there is a shortage of funds, relative to the quantity of funds requested. Dr. Gillette stated that no entity was entitled to funds, and that even if funds had been received in the past, they may not be this time. He explained that City Council had committed to pay back the Bluffwalk loan, and that part of the CDBG money would be reserved to cover that loan, if necessary. If it was not needed, the money would be reprogrammed at a later date.

While CDAC and City Council could not incorporate every comment and/or recommendation from the public hearings, they are aware of the various housing and non-housing needs and have considered each comment in their development of the goals and objectives and the annual allocation of funds.

Institutional Structure

The City's Department of Community Development is responsible for carrying out the provisions of this Plan. Working in conjunction with its public and private partners, City staff will distribute, monitor, and execute the functions of the Plan and reports on its progress. Coordination with other departments within City administration is essential to smooth delivery of services and the achievement of desired outcomes.

Monitoring

The Grants Administration Team that includes staff from the Grants Administration Office and the Finance Department is responsible for monitoring programs that receive CDBG and HOME funds. A sub-recipient agreement is prepared for all agencies outside of the local government. This agreement contains the required HUD applicable statutory and regulatory requirements.

Monitoring of projects is done in several ways. First, sub-recipients are reimbursed for expenses, rather than provided funds up-front. The City requires receipts, time sheets, and other relevant documentation with the reimbursement request. In addition, sub-recipients are required to submit quarterly performance reports, which are reviewed for consistency with the City's program and financial records. At least five subrecipients are visited on-site at least once per year by the Grants Administration Team for monitoring. At the on-site monitoring visits for the housing and acquisition projects, a random

selection of address files are reviewed for program compliance. For all other projects, a visual inspection is made of the various accomplishments completed with program funds and a narrative submitted on the benefits for low and low-to-moderate income persons. There is a monitoring checklist that is completed at the time of the review and then summarized. The financial reviews include a selection of reimbursements from the City. They are traced through receipt and disbursement of funds. When the Grants Administration Team staff has completed their reviews, the monitoring comments are compiled and a letter written to the agencies advising them of the results of the monitoring reviews and if any corrective action is needed. Technical assistance is provided as needed, or requested.

City staff reviews the quarterly reports for each CDBG and HOME project that is funded to ensure that the City is meeting the goals and objectives stated in the Consolidated Plan. For projects that are not meeting the goals established in the Consolidated Plan and Annual Action Plan, City staff will contact the agency to discuss the project and the necessary action that will be needed to bring the project to a current status.

The Grants Administration Team reviews each CDBG and HOME project to ensure that funds are being expended in accordance with the program regulations, and that the project funds are being expended in a timely manner. If project funds are not expended during the quarterly review, City staff will contact the agency to discuss the project status and the importance of expending the project funds in a timely manner.

For ongoing HOME rental projects, City staff requires the agency responsible for the project to submit to the City an annual HUD HOME Monitoring Checklist, Project Compliance Report for Rental Housing, and Project Compliance Checklist. This information is reviewed for HOME Program compliance.

The City's CDBG and HOME funds are audited in conjunction with the City's annual audit. City Council reviews on an annual basis the remaining project funds and determines if funds will be retrieved from agencies and reprogrammed to other projects.

Lead-based Paint

During the Annual Action Plan year, the city's efforts to evaluate and reduce lead-based paint hazards will be directed according to the use of the CDBG and HOME funds. First, all housing programs and projects assisted with CDBG and HOME are required under HUD and other federal regulations to address these hazards. It is standard practice that any such use of funds includes the notification of buyers owners and occupants. Depending on the nature and the amount of assistance being provided, the type of evaluation and approach to addressing the hazards may vary. For example, assistance limited to down payment and closing costs will have different lead-based paint requirements compared to substantial rehabilitation of owner-occupied housing units. However, all assistance involving housing built prior to 1978 will be subject to lead-based paint rules. Compliance with these requirements is a provision included in the written agreements with subrecipients.

HOUSING

Specific Housing Objectives

The goals identified by City Council form the housing priorities for the Annual Action Plan, and guide the direction of City funds and other available resources. The following are the goals and allocation priorities to reach them.

Increase the number of owner-occupied units

The City supports and encourages owner-occupied housing units within distressed neighborhoods. The City's Comprehensive Plan states that a range of housing options is desirable but a greater proportion of owner-occupied is determined to create more stable neighborhoods as personal investment in long-range trends is stronger.

The 2000 Census reported 58.5% of the City's occupied housing units were owner-occupied, compared with 41.5% rental units. This represents a slight increase in the owner-occupied units city-wide. A corresponding increase was also identified in the census tracts that make up the target market. However, the ratio of owner-occupied units to rental units is lower than in more stable areas of the city, or than in other parts of the country. Efforts to build attractive markets for homeownership in the neighborhoods surrounding downtown is a necessary part of this undertaking.

In order to achieve long-term stability and investment in the City neighborhoods, we must encourage homebuyers to purchase here. This will entail incremental strategies that include working with developers, banks, and others to take collaborative action to achieve the goal of improving and retaining owner-occupancy and housing conditions for existing homeowners. With limited government resources, the City believes the participation of the private for-profit sector will be necessary, with government involvement limited to leveraging other resources with CDBG and HOME dollars for those low- and moderate-income households, which require more assistance in order to, become owners.

Additional strategies include: (1) support of new and rehabilitated housing for ownership in a wide range of prices; (2) encourage developers, banks, and homeowners to take individual action in this regard; and (3) provide incentives for buyers and homeowners to invest a portion of personal funds into the project; and (4) assisting service providers to develop full-service housing counseling programs, including a homebuyers' club to develop qualified new purchasers. As a related matter, the City believes that the buyer should enter the process with some equity to minimize the need for subsidy and to spread City investment as broadly as possible.

Rehabilitate substandard housing units. Emphasis is to be placed on programs that require an investment of funds and/or labor on the part of the owner commensurate with the owner's resources.

The City's Comprehensive Plan identified housing problems in nearly 3,500 rental properties and 1,460 owner-occupied properties. The City's goal to make

all housing safe, decent, and affordable will require that a variety of strategies be implemented simultaneously over the next 5 years. One strategy is to support financial mechanisms and incentives that encourage individuals in their efforts to repair and keep their homes and properties in good condition. To the extent feasible, owners should provide their own resources so that limited government funds will be spread to the maximum number of houses.

Another strategy is to extend some assistance programs to private landlords as well as homeowners. As business owners, these landlords are responsible for providing a quality product to the public, i.e. renting out only those properties which comply with the Building Code. Landlords who do not correct code violations within a thirty-day time frame will be denied a certificate of occupancy for those units, and therefore, cannot legally rent them out. Potential loss of rental income provides a direct incentive for the landlord to correct the problems. The City is taking a proactive rather than a reactive approach to prevent the further decline of the targeted neighborhoods. The LRHA Rental Rehabilitation Program has received CDBG funds to address observed and eligible repairs according to this strategy.

Clearly, collaboration with other public and private resources will be necessary. The primary home-repair agencies, Lyn-CAG and LNDF, will continue their owner-occupied home repair programs in order to assist this City in achieving its goal.

Strategies will include City support of resident education and training programs that: (1) identify rights and responsibilities of residents; (2) provide skills in home maintenance and upkeep; and (3) support individuals seeking to improve their housing situations.

The City's Residential Rental Property Inspections Program will continue to be a key strategy through the routine inspections of all rental properties throughout the City. In March 2005, City Council unanimously approved a new ordinance focusing on property maintenance of rental housing. For this ordinance, owners of rental property are required to register any rental unit in the CDBG-targeted area and confirm that the unit complies with the Uniform Statewide Building Code (USBC) Property Maintenance Code. The City's Comprehensive Plan states that it will explore the effectiveness of incentives that encourage the rehabilitation of older rental properties, or possibly develop an awards program to recognize quality rehabilitation and maintenance of rental properties.

City funds will be made available for other housing providers, combining these with investment resources, such as the Low Income Tax Credits program which can be expanded to increase the stock of safe and affordable housing. However, the City's support of such equity investment for low-income rental units is limited to renovation of existing buildings so that our current stock of housing and structures appropriate for adaptive reuse can be exhausted before new units are constructed.

Acquisition and donation of vacant, blighted properties, by the City and LRHA, and the subsequent transfer to non-profits to develop affordable housing, both

rental and owner-occupied, will continue and be expanded, as will the support Lyn-CAG and other organizations that provide assistance to low-income owners.

Support initiatives to increase permanent affordable rental and housing ownership opportunities.

The City agrees with the national priority to increase the homeownership rate, particularly for low- or moderate-income families. Homeownership promotes stable neighborhoods and an increased sense of community along with personal financial investment. Owning a home is usually the largest investment, and largest asset, of most households. Data reveals that homeowners are less likely to experience housing problems (substandard conditions, cost-burdens) than renting families. There are several public and private efforts ongoing in the City to attract more first-time buyers by offering various incentives. The City's Comprehensive Plan states that the City will foster and expand relationships with local lenders to develop partnerships for first-time home buyers.

In order to increase homeownership, we must be prepared to assist families who are unable to meet the entrance profiles for conventional lending but are still credit-worthy and able to meet their financial obligations. This will mean that the City will need to partner with lenders and/or support alternative lending opportunities, by investing subsidies into the financing. The following are strategies that have been successful in Lynchburg and other places in meeting this priority: (1) continued and increased collaboration with area non-profit agencies, through the distribution of HOME and CDBG program funds; (2) expanded partnerships in the private sector, including corporate and banking sponsorship of homebuyer initiatives; and (3) new incentives to support private developers who build/renovate affordable single-family homes.

These strategies include exploring other public and private funding programs throughout the country to see if they can form models for us to maximize the available loan programs for first-time homebuyers. The use of CDBG and HOME funds to adjust market factors that sometime prohibit credit-worthy homebuyers from access to mainstream lending programs will make a difference in making new homeowners.

Moderate-income renters are an obvious target market for some of these programs. Most moderate-income persons could purchase a suitable house through programs that provide assistance in the form of lower interest rates and flexible loans for down payments and closing costs. City partners, such as LNDF, LRHA, Lyn-CAG, and Greater Lynchburg Habitat for Humanity (GLHFH), share this goal and offer several homeownership programs to meet the needs of the City's low income families.

The need for permanent housing for homeless, the disabled, and those with special needs is documented in the Continuum of Care. The scope of the Continuum is regional and therefore, the City's desire is to support permanent housing development throughout the Central Virginia planning district (Planning District 11). All persons in the region should have housing choices and assistance available.

Special needs populations include, but are not limited to, persons who are mentally ill, mentally disabled, physically disabled, and substance abusers/addicts, have AIDS, are homeless, and are elderly and in need of supportive housing. This population is spread throughout the region, but many of the supportive resources are located in the City of Lynchburg. Increased support of regional homeless and special needs facilities and services, such as the regional Disabilities Services Board, will continue to be specific objectives of the City. Another objective will be to improve regional transportation, especially for persons with special needs so as to maximize access to limited resources.

Support programs that assist individuals in retaining their homes in challenging economic times.

The review of promising programs to address the challenges facing low-income families living in distressed neighborhoods reveals three key themes: (1) Earnings and asset development programs are used to increase the economic self-sufficiency of low-income families and include: place-based employment programs, a focus on “good jobs,” the use of work incentives, programs that promote banking, car and home ownership, and the use of the Earned Income Tax Credit; (2) Family strengthening programs are used to improve health and educational outcomes, as well as link families to needed support and benefit services and include: nurse home visitation, parenting education, early childhood educational programs, and facilitating the receipt of support services; and (3) Neighborhood strengthening programs are used to improve features of the neighborhood, collaboration among service providers, and resident involvement in neighborhood affairs and include: the use of community development corporations, comprehensive community initiatives and community organizing strategies.

Whether they originate from federal programs, such as HOME or CDBG, or local sources, such as housing trust funds or housing bonds, local or state governments are generally the source for the subsidies that make homes affordable to low- and moderate-income families. These subsidies generally cover the difference between what it costs to develop the home and the purchase price that families in the targeted income range can afford and retain their home once purchased.

The City will continue to support homeowner rehabilitation programs and homebuyer programs that provide interest write-down loans to make the home affordable and allow homebuyers/homeowners to retain their home in challenging economic times.

Identified Objectives/Benchmarks and Performance Measures

As stated in the Consolidated Plan, in March 2006, HUD issued the “Notice of Outcome Performance Measurement System for Community Planning and Development Formula Grant Programs.” The HUD Outcome Measurement System includes Objectives, Outcome Measures and Indicators. The City must choose one of the three objectives and Outcomes for each activity. In identifying the outcome/objective, HUD has developed a numbering system that ties to the CPD Performance Measurement System (PMS).

The Housing Objective category is:

Provide Decent Housing. Activities that are categorized in this objective are designed to cover the wide range of housing activities under CDBG and HOME. The objective focuses on housing programs where the purpose of the program is to meet individual family or community needs.

The three Outcome categories for housing are:

1. **Availability/Accessibility**. Applies to activities that make service, infrastructure, public service, public facilities, housing, or shelter available or accessible to low and moderate-income persons including persons with disabilities. Accessibility does not only refer to physical barriers, but also to making the basic of daily living available and accessible to low- and moderate-income persons who live in the housing unit or use the facility.
2. **Affordability**. Applies to activities that provide affordability in various ways in the lives of low- and moderate-income persons. It may include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.
3. **Sustainability**. Promoting Livable or Viable Communities. Applies to activities that focus on improving communities or neighborhoods, helping to make them livable or viable by providing benefit to low- and moderate-income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain the communities or neighborhoods.

The following housing objectives will serve as the proposed accomplishments and outcomes to promote the development, sustainability and suitability of housing and fair housing within the community:

	Availability/Accessibility	Affordability	Sustainability
Decent Housing	DH-1	DH-2	DH-3

Housing Ownership and Rehabilitation

PROGRAM	FIVE-YEAR GOALS					ANNUAL ACTUAL ACCOMPLISHMENTS				
	2010	2011	2012	2013	2014	2010	2011	2012	2013	2014
Homeownership-Owner-occupied (CHDO) (DH-1)	1	2	1	1	1					
Homeownership-Homebuyer (DH-1)	10	10	10	10	10					
Homeownership-Retention (DH-2)	5	5	5	5	5					
Housing Rehabilitation (DH-2)	25	25	25	25	25					
Rental Units (DH-1)	0	24	24	0	0					

The City of Lynchburg supports assisting individuals with disabilities, substance abuse or addiction, persons with AIDS, persons that are homeless, and elderly persons.

The overarching strategy for accomplishing the housing goals of the City is to conduct activities that complement and enhance the work being done by City departments and their partners using the various sources of public and private funding available.

Public Housing Needs

LRHA's efforts over the next year will be to continue to increase the awareness of the community of existing assistance programs, to attract more landlords to participate in the Section 8 Housing Choice Voucher Program and continue to work in partnership with other local housing providers such as Lyn-Cag, LNDF, and GLHFH. LRHA will continue to work with Rush Homes to provide assistance needed for the physically and mentally challenged applicants. These efforts are also expanded by working closely with the Lynchburg Area Center for Independent Living (LACIL).

Barriers to Affordable Housing

Lynchburg is a city of relatively low housing costs. However average income and cost-of-living also reflect these somewhat lower housing costs. In recent years there has been a resurgence of housing development, primarily in the outlying areas of the City. Development in the CDBG area remains limited to non-profit and subsidized activity. This is due to the very low property values in these census tracts and a greater value placed on improvements to property than to the land itself. In the target area, this high value on improvements, or buildings, had the effect of costing more than clearing land and, thereby, negating the opportunities of redevelopment. This was also a large disincentive to development through renovation because the cost of repair typically exceeds the value of the renovated property. Therefore, subsidized development has been the primary construction in the CDBG neighborhoods to off-set the resistance of these neighborhoods to general real-estate market forces.

Even though the City's Zoning Ordinance has been amended there are still outdated requirements that can be viewed as barriers to affordable housing. The City's Zoning Ordinance was adopted in 1978 after the City annexed portions of Amherst, Bedford, and Campbell counties in 1976. The ordinance is "suburban" in style and does not serve the older "traditional" areas of the City well. Existing dwellings in older areas of the City are typically located on smaller lots and do not conform to the Zoning Ordinances standards for setbacks or lot sizes. These large suburban setbacks and lot size requirements have prevented homes from being expanded and prevented the construction of affordable infill housing.

The City's *Comprehensive Plan* recognizes the unique character and the need to promote redevelopment and infill of its older neighborhoods. The City is currently preparing a Zoning Ordinance Revision Plan that will revise the document to better address the City's older neighborhoods.

In some cases the City has approved waiver of certain City fees that create undue costs on development of housing by non-profit organizations. These and other strategies will

continue to be considered so that increased development costs would not be passed on to low-income home buyers.

HOME PROGRAM

HOME Assistance

The City of Lynchburg expects to utilize HOME funding for homeownership, rehabilitation, new construction, and development of rental assistance projects.

Other Forms of Investment

The City of Lynchburg does not intend to use other forms of investment.

Guidelines for Refinancing

Not applicable. During FY 2011, the City of Lynchburg does not anticipate using HOME funds to refinance existing debt secured by multi-family housing that is being rehabilitated with HOME funds.

Recapture Provisions

In accordance with HOME program regulations at 24 CFR Part 92, properties assisted must remain affordable during the affordability period. Under recapture provisions, this period is based on the direct HOME subsidy to the homebuyer and includes down payment assistance, "gap" financing, and interest rate buy-downs, as available.

The HOME affordability periods are as follows:

HOME Investment Per Unit	Length of the Affordability Period
Less than \$15, 000 subsidy	5 years
\$15, 000 - \$40,000 subsidy	10 years
More than \$40,000 subsidy	15 years
New construction of rental housing	20 years

HOME-assisted units are subject to affordability for the entirety of the affordability period. These HOME-assisted units are subject to a recapture provision in order to assure that the units either remain affordable (i.e. housing eligible clients) or that the City recovers its investment based on the terms of the agreement. Funds are recaptured only from the net proceeds of the sale or foreclosure. Please see specific HOME Program details for recapture provision specifics.

Tenant-based Rental Assistance

The HOME funds are not used for tenant-based rental assistance.

HOME Affirmative Marketing

The City's Affirmative Marketing Procedures that will be followed to affirmatively market housing containing five or more HOME-assisted units is attached. (See Appendix B)

HOME Matching Requirements

HOME matching requirements are met by volunteer hours committed through non-profit agencies.

HOMELESS

Specific Homeless Prevention Elements

Most homelessness initiatives in the City are coordinated through the Housing and Homeless Coalition of Central Virginia (HHC-CVA), a recipient of funding through the Stewart B. McKinney programs (Supportive Housing Program, Shelter Plus Care, etc.) Also participating in the HHC-CVA are the counties of Amherst, Appomattox, Bedford, and Campbell.

HHC-CVA is a regional organization comprised of agencies that serves as the lead entity for Supportive Housing Programs. The HHC-CVA currently has more than 35 listed member organizations, agencies, individuals, programs and businesses.

Sources of Funds

Most homelessness initiatives in the City are coordinated through HHC-CVA, a recipient of funding through the Stewart B. McKinney programs (Supportive Housing Program, Shelter Plus Care, etc.) Also participating in the HHC-CVA are the counties of Amherst, Appomattox, Bedford, and Campbell.

The City of Lynchburg will utilize its Shelter Plus Care annual allocation to provide rental assistance to homeless persons for permanent housing.

Lyn-CAG recently received \$363,000 in funding through the Homelessness Prevention and Rapid Re-Housing Program (HPRP) under Title XII of the American Recovery and Reinvestment Act of 2009 ("Recovery Act").

The primary objective of the HPRP is to prevent displacement of households who are potentially homeless, to assist homeless persons in securing permanent housing, to assist potentially homeless who may be in danger of becoming in arrears, and to ensure that the persons who receive assistance become self-sufficient. Several ways to measure these objectives include tabulating the number of clients who remain in their housing situation (rental) and successfully complete financial literacy training, home-ownership counseling and/or budgeting counseling. This project will serve the cities of Lynchburg and Bedford, and the counties of Amherst, Appomattox, Bedford, and Campbell.

Homelessness

The City is a member of the HHC-CVA, which is a regional Continuum of Care (CoC) comprised of agencies that focuses on issues pertaining to homelessness.

Through the participation of its members of the HHC-CVA the Coalition can more effectively address the needs of homeless individuals and families, including the

following: homelessness prevention; outreach/assessment (i.e. case management); emergency services; transitional housing; and permanent supportive housing

The specific priority needs outlined in the CoC strategy place high priority on the creation of new permanent housing beds for the chronically homeless, job training, and employment programs, and the journey from transitional to permanent housing for both families and individuals. The CoC's homeless activities during the five-year period of this Consolidated Plan will also coordinate homeless prevention services to those at risk of becoming homeless.

Chronic Homelessness

The point-in-time survey conducted in January 2009 identified 53 chronically homeless persons in the Central Virginia area. The HHC-CVA has designated the creation of new permanent housing beds for chronically homeless individuals as one of its strategic planning objectives.

The HHC-CVA provides a comprehensive response to the different needs of homeless individuals and families so that they can make the critical transition from the streets to independent living.

It is important that a balance of emergency, transitional, and permanent supportive housing be provided, along with homeless prevention, case management and other supportive services, so that the transition of homeless persons to self-sufficiency becomes permanent.

Homelessness Prevention

Homelessness prevention is achieved using a variety of means, often through a connected network of services coordinated with public and nonprofit agencies. The HHC-CVA plans to continue its objectives to reduce the numbers of unsheltered households with children. The HHC-CVA will identify major prevention/intervention funding sources and agencies, collate regulations and limitations of each source or entity, create a tool for regular reporting of utilization of funds, and analyze gaps and utilization.

The HHC-CVA also has plans to maintain or increase the number of persons employed at program exit. Employment is a critical step for homeless persons to achieve greater self-sufficiency. The HHC-CVA is comprised of several employers that representatives work with homeless agencies to secure employment for clients. Case managers continuously work to ensure the appropriate evaluation of skills and abilities of clients in order to locate employment opportunities prior to exit.

Discharge Coordination Policies

In relation to youth aging out of foster care, patients released from medical facilities, patients released from mental health institutions, and prisoners released from correctional institutions, the HHC-CVA continues to work in cooperation with individuals from local law enforcement agencies, supportive service agencies, and other interested parties to coordinate discharge. The following are supportive service agencies that coordinate discharge:

Foster Care:

The Virginia Department of Social Services mandates that youth in foster care must be moved to a permanent housing setting when they age out of the system. In rare instances, local youth turning 18 in foster care settings voluntarily become homeless. Locally, the Department of Social Services follows the state mandate for discharge planning including assisting youth with securing employment and housing. Local CoC agencies observe state protocol.

Health Care:

Locally, the private hospital system will release individuals to shelters or to the streets, although hospital discharge planners work closely with agencies and organizations in the CoC to ensure safe and adequate placement. The CoC will continue to work with the hospitals to prevent individuals from being discharged without a permanent discharge address.

Mental Health:

The Community Services Board works with the State Hospital System in Virginia to coordinate discharge planning.

Corrections:

The Virginia Department of Corrections mandates that a juvenile leaving incarceration can only be discharged to an authorized person. The Department requires adult inmates to work with their Community Release Unit and local Probation Officer to plan discharge and must have a verifiable address in order to be released. Local CoC agencies observe state protocol.

The following objectives have been established for the CoC agencies for the period of the Annual Action Plan.

Objective 1: Create new permanent housing beds for chronically homeless individuals. The CoC will continue meeting with current housing providers to identify ways to designate housing for chronically homeless persons. Providers identified and engaged are the local housing authority and an upcoming program intended to offer second-stage housing to persons in recovery.

The CoC will work to increase resources (private and public) that will provide permanent housing for the chronically homeless. The Salvation Army in Lynchburg offers an opportunity for new beds as it has just completed a new facility for shelter and is committed to correcting conditions that do not serve the chronically homeless.

Objective 2: Increase percentage of homeless persons staying in permanent housing over 6 months to at least 77%.

The CoC plans to: (1) institute pilot aftercare programs that serve permanent supportive housing residents to enhance their independent experience; (2) offer money management and eviction prevention training to all persons in permanent supportive housing; and (3) implement APR tracking of all PH projects with quarterly monitoring.

The measures identified as short-term steps have increased the number of persons staying in PH and will be continued. In addition, identifying services that enhance

remaining in PH housing, including services that increase access to employment and training opportunities.

Objective 3: Increase percentage of homeless persons moving from transitional housing to permanent housing to at least 65%.

The CoC plans to: (1) develop centralized referral system to all mainstream resources; and (2) expand aftercare and recovery services to all transitional housing programs.

The CoC will work with local governments and other policy making entities to advocate for increases in assistance for rental subsidies and the availability of support services to increase the number of individuals who can successfully transition to permanent housing.

Objective 4: Increase percentage of persons employed at program exit to at least 20%.

The CoC plans to: (1) coordinate with Workforce Investment Board (WIA) Board to advertise jobs and coordinate transportation specifically for homeless persons; (2) provide employment cross training between homeless services agencies; and (3) utilize CET (LynCAG employment training program) to move homeless persons into employment.

The CoC will continue to work with service providers and workforce groups in the region to increase employment opportunities and offer services which will assist clients to develop marketable skills to meet these opportunities.

Objective 5: Decrease the number of homeless households with children.

The CoC plans to: (1) direct Shelter/Transitional Housing Committee to focus on homeless family issues and identify barriers to housing and employment and report on initiatives to assist families in distress; and (2) work with the local housing authority to ensure greater access to housing for homeless families.

Partnerships with non-CoC members whose focus is children's services and family issues will be developed so that additional resources may be available to avoid homelessness. Homeless intervention and prevention strategies will be pursued within the CoC.

COMMUNITY DEVELOPMENT

Community Development

The goals identified by City Council form the Community Development needs for this plan, and guide the objectives and direction of City funds and available resources. The following are the priorities and strategies to reach them.

Eliminate neighborhood deterioration, blight, and blighting influences.

The City will continue its coordinated and aggressive code enforcement of dealing with weeds, abandoned motor vehicles, litter, and vacant buildings in an effort to improve the

safety and appearance of neighborhoods, in which people live, work and play. The City will continue to use supervised inmate labor from the local jail to secure abandoned buildings against illegal entry, clean illegal dumpsites, and cut weeds on neglected properties. The Community Development staff will continue to involve the Police Department, Fire Marshall, and LRHA in determining the priority for demolition of substandard housing. The above is part of the City's ongoing Neighborhood Initiatives/Code Enforcement Program, and is a high priority activity.

Another segment of this program is the continued support of the Code Enforcement Task Force, a group of City employees whose job responsibilities relate to enforcement and/or quality of life issues. This Task Force will continue to focus on enforcing codes in a fair and effective manner; devise new strategies to address neighborhood/citizen concerns; and walk neighborhood streets as a group so that they can see and hear concerns first-hand and respond with their own observations.

The City will continue its selective demolition program in the targeted neighborhoods. The program is focused on demolition of non-historic structures and site preparation for the collaboration with non-profit housing providers to offer the sites for housing construction and the waiver of fees for landfill and demolition costs.

Public infrastructure in the downtown area is being addressed by the Combined Sewer Overflow (CSO) project and street improvements as part of the downtown redevelopment. The City will *seek to complete the CSO project within the next three to five years*. The Riverfront Park will meet recreational and entertainment needs for the City and region, in particular the targeted neighborhoods.

Support the organized efforts in neighborhoods to leverage their resources to improve and sustain community livability and services.

Neighborhoods are an important foundation for improving and sustaining community livability and services. Strong neighborhoods help to create more active and informed citizens which in turn result in a stronger community. Within neighborhoods there are shared identities, issues, concerns, and interests. Each neighborhood has its own unique priorities and character. The neighborhoods within Lynchburg's Historic Districts may be working to preserve the historical aesthetics of the neighborhood. Some neighborhoods have traffic problems while others are dealing with beautification, crime, youth, socioeconomic, and/or family concerns. There are a variety of neighborhood issues, each neighborhood needs an avenue to deal with their own needs so that the community continues to be strengthened and protected.

Supporting the work of neighborhoods in order to create opportunities for citizens to take a leading role in their future is important for improving and sustaining community livability and services. The process must include citizens, government, community organizations and other stakeholders working together to develop a common goal, mission and vision to address neighborhood concerns. The purpose of supporting organized neighborhood efforts to leverage their resources to improve and sustain community livability and services is ultimately to develop mutual responsibility and collaboration in community building and problem solving.

Another important aspect of improving and sustaining community livability and services is to build on the existing assets within the various neighborhoods by investing in

existing housing stock through revitalization and rehabilitation efforts. Also, creating opportunities to make home ownership available to qualified individuals and providing assistance to help homeowners keep their homes helps to strengthen neighborhoods.

Beginning with the 2010-2011 Annual Action Plan, the City is moving towards focusing funds and efforts on the Tinbridge Hill Neighborhood. Several non-profit groups and churches (Friends of Tinbridge Hill) have joined together to focus on improving the quality of housing and infrastructure in this neighborhood. Tinbridge Hill is anchored by the very active Yoder Community Center which recently underwent a renovation which was partially funded with CDBG funds, City funds, and private funds. The Assistant to the City Manager is an active participant in the Friends of Tinbridge Hill group.

City staff is in the process of developing a formalized effort regarding the sustainability of neighborhoods. Although still under development, operating principles that are proposed to guide the City's work in neighborhoods include:

- Sustaining neighborhoods through partnerships with non-profits, developers, businesses, neighborhood groups, and citizens.
- Recognizing and preserving neighborhood identity, character, history, and diversity.
- Public safety is necessary for vibrant and sustainable neighborhoods.
- Promoting well designed neighborhoods where residents are able to work, shop, and play close to home.
- Fostering connectivity within and among neighborhoods.

Proposed Goals that support the draft operating principles for neighborhoods include:

- Supporting mixed-use neighborhoods with accessible green space.
- Encouraging innovative, safe, and affordable housing choices.
- Recognizing the uniqueness of all neighborhoods and partnering in revitalization efforts.
- Promoting neighborhood partnerships to maximize community resources and facilitate self-sufficiency.
- Connecting neighborhoods through infrastructure and public services.

Objectives and specific benchmarks will be closely linked with the goals noted above.

Support Economic Development efforts which will expand job opportunities and retention.

The City's goal is to encourage more commercial and industrial development in order to provide more jobs in the inner city. We will use the following strategies: (1) increase participation in downtown redevelopment and revitalization especially to support the majority of residents who are low- and moderate-income; (2) review and seek to continue to provide financial assistance for facade improvement grants to businesses in the downtown census tract to further redevelopment in this area and instill pride in our Main Street; (3) encourage continued support from the area banks in the privately-funded Enterprise Zone Loan Pool, which provides reduced rate loans to eligible businesses; (4) continue to support the Business Development Centre, a non-profit organization which provides Small Business Administration loans, other loans, and technical assistance to emerging businesses; and (5) continue participation in the Welfare to Work program that encourages welfare recipients to take advantage of job opportunities that will promote work and encourage the formation and maintenance of

stable families. The City will also support projects that recruit and train low income persons and assist them in obtaining employment. The City will continue its efforts to establish a third enterprise zone and continue implementation of the downtown master plan for the redevelopment of downtown. Finally, a strategy to accomplish the City's objective is to bank on its entitlement resources through the Section 108 guaranteed loan program and HUD's economic development initiatives.

Promote activities which support the healthy development of the City's at-risk youth, adults and families

The City supports and will continue to serve at-risk youth, adults and families to provide comprehensive, collaborative, and quality services that empower youth and families. Goals established include: identifying the needs of youth and families and working collaboratively to meet those needs, providing high quality service and programs needed by youth and community programs that impact youth and families, and development of prevention resources and programs.

In addition, the City will continue to support public service providers in order to meet the needs of the low-to-moderate income persons, individuals with disabilities, substance abuse or addiction, persons with AIDS, persons that are homeless, and elderly persons. In addition to the services provided by the City's Human Services Department, there are many nonprofit organizations that coordinate with the City to provide the services needed.

Identified Objectives/Benchmarks and Performance Measures

The two objective categories for Community Development are:

1. **Creating Suitable Living Environment.** Relates to activities that are designed to benefit communities/neighborhoods, families, or individuals by addressing issues in their living environment. This objective relates to activities that are intended to address a wide range of issues faced by low- and moderate-income persons, from physical problems with their environment, such as poor quality infrastructure to social issues such as crime prevention, literacy, or elderly health services.
2. **Creating Economic Opportunities.** Applicable to activities that are related to economic development, commercial revitalization or job creation.

The three Outcome categories are:

1. **Availability/Accessibility.** Applies to activities that make service, infrastructure, public service, public facilities, housing, or shelter available or accessible to low and moderate-income persons, including persons with disabilities. Accessibility does not only refer to physical barriers, but also to making the basic of daily living available and accessible to low- and moderate-income persons who live in the housing unit or use the facility.
2. **Affordability.** Applies to activities that provide affordability in various ways in the lives of low- and moderate-income persons. It may include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.

3. **Sustainability.** Promoting Livable or Viable Communities. Applies to activities that focus on improving communities or neighborhoods, helping to make them livable or viable by providing benefit to low- and moderate-income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain the communities or neighborhoods.

The charts below illustrate the allocated priorities and objectives and outcomes the City plans to meet during the 2010-2015 Consolidated Plan and specifically the 2010-2011 Annual Action Plan.

	Availability/Accessibility	Affordability	Sustainability
Suitable Living Environment	SL-1	SL-2	SL-3
Economic Opportunity	EO-1	EO-2	EO-3

Support of Neighborhoods

PROGRAM	FIVE-YEAR GOALS					ANNUAL ACTUAL ACCOMPLISHMENTS				
	2010 (FY11)	2011 (FY12)	2012 (FY13)	2013 (FY14)	2014 (FY15)	2010 (FY11)	2011 (FY12)	2012 (FY13)	2013 (FY14)	2014 (FY15)
Neighborhood/ Community Meetings (SL-1)	5	5	5	5	5					
Infrastructure Improvements (SL-1)	1	1	1	1	1					

Economic Development Efforts

PROGRAM	FIVE-YEAR GOALS					ANNUAL ACTUAL ACCOMPLISHMENTS				
	2010 (FY11)	2011 (FY12)	2012 (FY13)	2013 (FY14)	2014 (FY15)	2010 (FY11)	2011 (FY12)	2012 (FY13)	2013 (FY14)	2014 (FY15)
Enterprise Zone (EO-3)	2	2	2	2	2					
Downtown Redevelopment Improvements (EO-3)	1	1	1	1	1					

Public Service Providers for At-risk Youth, Adults and Families

PROGRAM	FIVE-YEAR GOALS					ANNUAL ACTUAL ACCOMPLISHMENTS				
	2010 (FY11)	2011 (FY12)	2012 (FY13)	2013 (FY14)	2014 (FY15)	2010 (FY11)	2011 (FY12)	2012 (FY13)	2013 (FY14)	2014 (FY15)
Housing for Homeless (SL-1)	2	2	2	2	2					
Education, Youth Activities, Elderly Programs, Services for Supportive Housing (SL-1)	2	2	2	2	2					

Residential Rental Property Inspections Program and Property Maintenance Inspections

PROGRAM		FIVE-YEAR GOALS					ANNUAL ACTUAL ACCOMPLISHMENTS				
	2010 (FY11)	2011 (FY12)	2012 (FY13)	2013 (FY14)	2014 (FY15)		2010 (FY11)	2011 (FY12)	2012 (FY13)	2013 (FY14)	2014 (FY15)
Rental Property Inspections (SL-3)	462	450	450	450	450						
Property Maintenance Inspections (SL-3)	2400	2300	2200	2100	2000						

Demolition and Code Enforcement*

PROGRAM		FIVE-YEAR GOALS					ANNUAL ACTUAL ACCOMPLISHMENTS				
		2010 (FY11)	2011 (FY12)	2012 (FY13)	2013 (FY14)	2014 (FY15)	2010 (FY11)	2011 (FY12)	2012 (FY13)	2013 (FY14)	2014 (FY15)
Demolitions (SL-3)		2	2	2	2	2					
Weed Ordinance-Property Clearance (SL-3)		200	250	250	250	250					
Removal of Abandoned Vehicles (SL-3)		60	85	100	125	135					

*Organizational changes are being made to be more responsive and develop a presence in the neighborhoods.

Antipoverty Strategy

The City seeks to reduce the number of households with incomes below the poverty line this year by continuing with the long-term solutions such as education (including adult education and job skill training), economic development, and coordinated supportive services. These areas are traditionally within the local government's sphere of influence, and the Lynchburg City Council has placed significant emphasis and funding in these areas.

NON-HOMELESS SPECIAL NEEDS HOUSING

Non-homeless Special Needs

The City is fortunate to have several resources through which services are delivered to the community. Some of these receive funding from the public sources, such as federal and state grants. Others are private activities operating solely with donated funds from the private sector. In all cases, the City encourages this work and relies on it to complement its social service functions to City residents. The following describes a few programs and lists others that are active in the City.

The Lynchburg Commonwealth Attorney's Office engages in a Community Prosecution Program, which incorporates a grass-roots approach to justice, involving a partnership between citizens, law enforcement, and other government agencies in problem-solving efforts to address the safety and quality of life concerns in a defined geographic target area. The key element to this Program is the neighborhood involvement. The people in a neighborhood must invest themselves emotionally and be energized to come together and make a difference and have a safer community to raise their families. When the community has an emotional investment in the improvement of its quality of life, then each neighbor is actively engaged in crime prevention.

The Johnson Community Health Center (JCHC), a full-service medical facility has been designated a Federally-Qualified Community Health Center and recipient of significant federal grants. Several years ago Centra Health created JCHC with funds from its Foundation to meet the observed and severe primary health care needs of the community, especially those of low-income. Centra has invested more than \$1 million to build and staff JCHC and provided ongoing support through the Foundation to continue its progress. When seeking the federal qualifications, JCHC split from Centra Health and established itself as a separate organization with more than 50% of its Board of Directors coming from patients at JCHC. The goals of JCHC have been met and it continues to expand to meet health needs in the Lynchburg and surrounding community.

Security concerns in multi-family housing are addressed by LRHA who employs a Security Company to provide security to all four complexes. The Security Guards who are employed work closely with the Lynchburg Police Department to make sure all Police Department Policies are followed. This successful collaboration has allowed LRHA to quickly respond to illegal activity and enforce the "One Strike You're Out" policy and stop undesirable tenants' activity.

Numerous civic groups provide gifts of volunteer time and money to assist the low-income persons. The YWCA-Downtown Branch offers transitional housing for battered women, along with permanent housing above their offices, located in downtown. The ARC of Central Virginia provides enhanced physical and occupational therapy, supported employment, communication facilitation, and nursing care to individuals with mental retardation. The Lynchburg Area Center for Independent Living Inc. is a private non-profit, non-residential consumer driven organization that promotes the efforts of persons with disabilities to live independently in the community and supports the efforts of the community to be open and accessible to all citizens.

In addition to the multiple public and private agencies providing supportive services to low-income citizens, the City currently employs a 24-hour citizen service phone contact that coordinates with the United Way-sponsored Information and Referral Hot Line to inform citizens of the available services.

Other Narratives

Description of Activities

Available Resources

The table below reflects the CDBG and HOME federal funding expected to be available during fiscal year 2010-2011

Program	FY 2010/11 Anticipated Federal Funding
Community Development Block Grant Program (CDBG) Entitlement	\$ 904,817.00
Corrections:	
Entitlement for 2009-2010	845,313.00
Appropriated for 2009-2010	842,849.00
Remaining Amount to appropriate	2,464.00
Bluffwalk Interest payment reprogrammed in 2009-2010	71,250.00
Correct amount to be reprogrammed in 2009-2010	71,086.00
Amount to correct	(164.00)
Program Income Appropriated 2008-2009	80,000.00
Program Income Received 2008-2009	33,692.01
Amount to correct	(46,307.99)
Program Income Appropriated 2009-2010	79,596.00
Program Income Received 2009-2010	2,433.17
Amount to correct	(77,162.83)
Total amount of Funds to Correct	(121,170.82)
Prior Year Funds Available for Reprogramming:	
Repair Assistance Program (1999-2000)	329.12
Repair Assistance Program (2000-2001)	2,336.60
Contingency (2002-2003)	25,000.00
Bluffwalk (Interest Payment 2009-2010)	67,198.00
Lead Program (2006-2007)	4,381.00
Fellowship Community Outreach (2002-2003)	1,666.06
Legacy (2006-2007)	680.45
Habitat for Humanity-Building Assets Program (2006-2007)	6,462.68
Habitat for Humanity-Building Assets Program (2008-2009)	10,000.00
LRHA Spot Blight (2006-2007)	2,266.01
LRHA Spot Blight (2008-2009)	80,000.00
LRHA Funds returned to HUD	63,266.00
Total Amount of Funds to Reprogram:	263,585.92

Net Amount of Funds for Appropriation 2010-2011	<u>142,415.10</u>
Anticipated Program Income 2010-2011	<u>2,030.00</u>
Total Anticipated CDBG	\$1,049,262.10
HOME Program-Entitlement	467,942.00
Program Income Appropriated 2008-2009	7,800.00
Program Income Received 2008-2009	<u>4,211.87</u>
Amount to Correct	(3,588.13)
Program Income Appropriated 2009-2010	7,800.00
Program Income Received 2009-2010	<u>2,962.45</u>
	(4,837.55)
Total Program Income to Correct:	<u>(8,425.68)</u>
Total Anticipated HOME	<u>459,516.32</u>
Total Federal Resources	\$1,508,778.42

Projects and Activities for 2010/11

The following projects have been awarded funding:

CDBG PROJECTS

Project	Award Amount
Program Administration (City)	\$125,979.00
Program Administration (Lynchburg Redevelopment & Housing Authority)	43,545.00
Section 108 Loan (Bluff Walk)	310,283.00
Lynchburg Redevelopment & Housing Authority (LRHA) Spot Blight Abatement/Acquisition	80,000.00
LRHA Delivery Costs-Rehabilitation	14,479.00
LRHA Delivery Costs-Disposition	14,479.00
LRHA Delivery Costs-Acquisition	96,455.00
5 th Street Community Development Corporation (City)	100,000.00
Lynchburg Community Action Group (Lyn-CAG) Housing Improvement	70,000.00
Rebuilding Together Lynchburg	70,000.00
Virginia University Lynchburg-Roof Replacement	14,319.55
YWCA Town Center Restoration	4,000.00
Camp Kum-Ba-Yah	20,000.00
The Gateway House, Inc	25,000.00
Interfaith Outreach	5,000.00
Miriam's House	20,000.00
Smart Beginnings	10,722.55
YWCA Domestic Violence Prevention Center	25,000.00
TOTAL CDBG PROJECTS	\$1,049,262.10

HOME PROJECTS

Home Administration (City)	\$16,353.00
Greater Lynchburg Habitat for Humanity	65,000.00
Lyn-CAG-Homeowner-CHDO	75,000.00
Lyn-CAG Substantial Rehab	150,000.00
Lynchburg Neighborhood Development Corporation (LNDF) Hilltop Homes	48,163.32
LNDF-Tinbridge Hill	105,000.00
TOTAL HOME PROJECTS	\$459,516.32

Summary of 2010-2011 CDBG and HOME Activities

The following *Summary of Activities* provides a narrative description of each activity to be funded through the 2010-2011 Annual Action Plan. The summary identifies the agency or organization to be funded, the amount of the award, the activities to be undertaken, and if known, the location of the project.

Community Development Block Grant (CDBG) Activities

The City of Lynchburg will have available \$1,049,262.10 in CDBG funds to support administrative and service delivery operations, housing, community development, economic development, and public service activities for ten projects and activities.

Program Administration (City) - The City will use \$125,979 of its CDBG allocation for the payment of reasonable administrative charges related to the planning and execution of community development activities. The majority of these funds will be used to pay a percentage of the salary and benefits of Community Development staff dedicated to managing the CDBG and HOME Programs.

Section 108 Loan (Bluff Walk) - A total of \$310,283 in CDBG funds has been set aside for debt repayment on the Section 108 Loan to the Bluff Walk Center.

In June 2003, the City of Lynchburg was awarded a Section 108 Loan in the amount of \$3.2 million for the Bluff Walk Center - a boutique hotel, upscale restaurant, microbrewery, and conference center that opened in the spring of 2007. This \$23 million dollar renovation project added new permanent full-time positions to the zone, stimulated additional public and private investment, and serves as a tourist attraction in the City.

The Center is one of the major redevelopment projects included in the Downtown Riverfront Master Plan 2000. The purpose of creating the Master Plan was to restore the economic vitality and dignity of our once prosperous downtown, riverfront and surrounding neighborhoods. Our downtown and surrounding neighborhoods have significant blighting conditions and have officially been determined by HUD as a slum and blighted area since the 1970's.

Program Administration (Lynchburg Redevelopment and Housing Authority-LRHA) - This agency has been awarded \$43,545 in CDBG funds to provide technical services that consists of the collection of delinquent accounts, monitoring insurance coverage, negotiating payment plans, and participating in foreclosures and deeds in lieu of foreclosure for current and prior CDBG projects. Administrative cost includes pro-rata share of salaries, benefits, travel and communication.

Lynchburg Redevelopment & Housing Authority - Delivery Costs - Rehabilitation - The City has allocated \$14,479 in CDBG funds for direct costs associated with monitoring blighted properties and coordinating rehabilitation activities with owners.

Lynchburg Redevelopment & Housing Authority - Delivery Costs - Disposition - The City has allocated \$14,479 in CDBG funds for direct disposition costs associated with previously-acquired properties. Improved residential properties are intended for rehabilitation as owner-occupied, resale or rental properties.

Lynchburg Redevelopment & Housing Authority - Delivery Costs - Acquisition - The City has allocated \$96,455 in CDBG funds for direct costs associated with acquiring real property and coordinating work with appraisers and legal counsel under contract with LRHA..

Lynchburg Redevelopment & Housing Authority – Spot Blight Program - The City has allocated \$80,000 in CDBG funds to address three (3) vacant, deteriorated properties within the Tinbridge Hill neighborhood. This is part of a larger collaboration of eight (8) other organizations and the City to concentrate efforts in this area to make a significant impact in the neighborhood.

Section 36-19.5 of the Code of Virginia allows a local housing authority and a local governing body to work together in identifying structures that are deteriorated and have a detrimental influence on surrounding properties. This program also allows the enforcement of housing codes.

Fifth Street Community Development Corporation (CDC) - The City has allocated \$100,000 in CDBG funds to implement Phase II of the 5th Street Master Plan. Phase II of the Master Plan mirrors many of the elements of Phase I with wider sidewalks, installation of street trees, installation of street lighting and the consolidation of overhead utility lines. Phase II includes a four block area from Harrison Street to Church Street.

Lynchburg Community Action Group (Lyn-CAG) – Housing Improvement Program - The City has allocated \$70,000 in CDBG funds for the Housing Improvement Program which provides eligible low-to-moderate income persons with grant funds to remove health and safety hazards in their homes. Typical requests for services include electrical, plumbing, and roof repair/replacement. This program is projected to provide housing improvement services to seven (7) owner-occupied housing units at an average cost of \$10,000 per unit.

Rebuilding Together Lynchburg – The City has allocated \$70,000 in CDBG funds to assist approximately 60 eligible homeowners with minor rehabilitation and modification to owner-occupied housing units. The funds will provide for materials and labor and salaries and expenses to support this program.

Virginia University of Lynchburg – Historic Preservation: Mary Jane Cachelin Science and Library Building – The City has allocated \$14,319.55 to assist with the replacement of the roof on this historic building.

YWCA Town Center (YWCA) - The YWCA has been awarded \$4,000 in CDBG funds to assist with repairs to the gymnasium. The YWCA provides transitional housing for homeless women and children.

Camp Kum-Ba-Yah – Outdoor Summer Day Camp Scholarships (Public Service) – The City has allocated \$20,000 to assist with providing scholarships for low-to-moderate income children to attend a Summer Day Camp. In 2009, 404 campers attended Camp Kum-Ba-Yah; 43% of those attending were able to attend because of Campership Assistance (scholarships).

New Land Samaritan Inns/The Gateway (Public Service) - The City has allocated \$25,000 in CDBG funds for staff and overhead associated with this agency.

The Gateway provides transitional housing and supportive services to homeless men in recovery from drug and alcohol addiction, holding them accountable as they learn to

make better choices and rebuild their lives. Many of the clients have children and a few are married.

The Gateway is the only transitional shelter for men in Central Virginia. This organization provides housing for a maximum of 24 men at any given time. Residents must be at least 18 years of age and have successfully completed a 30 day alcohol or substance abuse treatment program or be willing to attend intensive out-patient treatment in order to be considered for enrollment.

Interfaith Outreach (Public Service) – The City has allocated \$5,000 to provide heating assistance to the elderly and low-income persons. Interfaith Outreach anticipates assisting up to 30 low-to-moderate income household, depending on the market price of fuel.

Miriam's House (Public Service) – The City has allocated \$20,000 in CDBG funds to contribute to the cost of operating their local permanent housing programs.

Miriam's House provides case management services for their residents. In returning to mainstream society, homeless persons are particularly fragile, especially those recovering from substance abuse. The services they provide include weekly visits by case managers, 24 hours-7 days a week on call support, money management, mental health assessment, medication monitoring, linkage to entitlement benefits such as Medicaid, Food Stamps and Social Security, employment counseling, parenting training and childcare, substance abuse recovery support and a host of other services specifically designed to maintain each resident into permanent housing.

United Way – Smart Beginnings (Public Service) – The City has allocated \$10,722.55 to provide funds for staff, materials, and fuel/maintenance costs for Gus the Learning Bus and Rex the Resource Bus. Gus the Learning Bus and Rex the Resource Bus, in visit at-risk children and parents in targeted neighborhoods. Gus the Learning Bus provides a completely furnished preschool classroom that children who are not enrolled in preschool can visit on a weekly basis. Rex the Resource Bus is a parent resource center with educational materials that parents can check out to use in preparation as their child's first teacher.

YWCA Domestic Violence Prevention Center (Public Service) - The YWCA has been allocated \$25,000 in CDBG funds for staff support and overhead associated with the operation of the domestic violence prevention center.

The YWCA provides unfunded direct services to the City of Lynchburg through the police protocol for responding to domestic violence cases, the Court Services protocol during intakes, and Court Referrals to the Children's Supervised Visitation Center.

HOME ACTIVITIES

The City of Lynchburg will have available \$459,516.32 in HOME program funds to support housing activities in our community during fiscal year 2010-2011. Six (6) projects have been allocated funding for HOME eligible activities and the City has set aside the allowed 4% of the entitlement award for program administration. One of the six (6) activities is a CHDO project.

HOME Administration (City) – The City will utilize \$16,353 of its HOME allocation for eligible administrative and planning costs. The majority of these funds will be used to pay a percentage of the salary and benefits of Community Development staff dedicated to managing the federal programs.

Greater Lynchburg Habitat for Humanity (GLHFH) – Homeownership Program – The City has allocated \$65,000 to provide down payment and/or first year real estate taxes that are required for mortgage closing for low-to-moderate income persons. Habitat plans on providing assistance to five (5) homebuyers.

Lynchburg Community Action Group (Lyn-CAG) Homebuyer Program – CHDO Project

This agency has been awarded \$75,000 in HOME/CHDO funds to assist eligible households during the fiscal year.

Lyn-CAG's First-Time Homebuyer Program activities provide services designed to remove health and safety hazards and code violations from vacant homes. The agency plans to sell these homes to low-income first-time homebuyers who meet HUD income guidelines for the HOME program. Lyn-CAG provides marketing for the sale of the homes.

Lynchburg Community Action Group (Lyn-CAG) Rehabilitation Program – CHDO Project

The \$150,000 in HOME funds will be used for eligible repair and rehabilitation services. In the 2010 program year, Lyn-CAG anticipates assisting four (4) eligible households with this program.

Lyn-CAG's Housing Rehabilitation Program provides major rehabilitation services to Lynchburg LMI homeowners whose homes have been identified as substandard by City Inspections and/or Lyn-CAG. Major rehabilitation services include bringing all house systems into Code Compliance. This may include: plumbing, electrical, HVAC systems, safety systems, window and door systems, roof and gutter systems, structural systems, exterior and interior finishes, handicapped systems, and lead remediation.

The scope of work is developed by a rehab specialist, the work is bid out and the rehab specialist and City Inspections/Grants Administration staff performs a final inspection. The rehabilitation work is done by professional licensed local contractors. Energy conservation improvements are performed by Lyn-CAG Energy Conservation Specialists.

Housing 2000, Inc., c/o Lynchburg Neighborhood Development Foundation (LNDF-CHDO) - Hilltop Homes – This organization and program has been awarded \$48,163.32 in HOME program funds to use for the continuation of the Hilltop Homes project. The HOME funds will be used for soft costs/reserves, financing and legal/syndication fees. Hilltop Homes is a scattered-site, multi-family rental project that Housing 2000, Inc. has been working on for several years. It consists of 12 parcels with 13 buildings that will be

completely renovated to create 24 affordable, quality rental units in the downtown neighborhoods of Lynchburg. The total projects costs are approximately \$5.1 million.

Lynchburg Neighborhood Development Foundation (LNDF) – Tinbridge Hill New Construction – LNDF has been awarded \$105,000 to provide gap financing for the construction of three (3) new energy-efficient homes for sale in Tinbridge Hill along Polk and Jackson Streets as they end at Hollins Street. Funds are requested for predevelopment (\$5,000), construction (\$80,000), and soft costs (\$20,000). The total project estimate for the three (3) new homes is \$450,000 and will benefit low-to-moderate income persons.

The Project Sheets list the Objective and Outcome for each of the projects for the 2010-2011 Annual Action Plan. (Attachment A)

Low/Mod Benefit (91.220(1)(1)(iv):

One hundred percent (100%) of the CDBG and HOME funds will be used for activities that benefit persons of low- and moderate income. The activities include housing rehabilitation, acquisition, public facilities, and public services. The project detail sheets identify the location of each project, which includes the CDBG-targeted areas (Census Tracts 4, 5, 6, 7, 11, 12 and 13).

Fair Housing

The City is in the process of preparing and updating the current Analysis to the Impediments to Fair Housing (AI). This update is going to be reviewed in conjunction with the overall housing needs in the City including affordable, transitional, homelessness, and public housing. City staff is awaiting updated Census data so that all components of housing/fair housing can be incorporated into the final AI.

During this Annual Action Plan the following actions will be taken to further affirmative fair housing:

- Fair Housing brochures will be available to the public through the CDBG subrecipients and to persons visiting City Hall, the public libraries, and the Community Development Department.
- City staff will participate in the Homeless and Housing Coalition, composed of service providers who prepare the Continuum of Care to address the needs of homeless persons and the special needs of persons that are not homeless but require supportive housing.
- The equal housing opportunity logo will be included on all newspaper ads placed by the Grant Administration Office.
- Provide fact sheets for bulletin boards within work areas and public common area.
- LRHA will continue to post in every building for which Section 8 occupants are located a Federal Fair Housing Poster. There is also a poster in each staff person's office located at 918 Commerce Street.
- A public notice will be published in *The News and Advance* regarding fair housing

rights and telephone numbers for concerned individuals to call if they felt their fair housing rights have been violated, or they wanted additional information.

- Information regarding fair housing and Fair Housing month (April 2011) will be posted on the City of Lynchburg web site.
- In addition to the web site and newspaper advertisements, City staff ensured that all bid documents and contract solicitation for City, Federal and State projects include solicitation of minority-owned and women-owned businesses. All non-profits that receive CDBG and HOME funds also have their own marketing policy that indicates recruitment and solicitation of minority-owned and women-owned businesses where possible.
- City staff will assist contractors in obtaining the certified list of minority-owned and women-owned businesses. The vendor/contractor list provided on the State of Virginia's web site will be distributed to contractors, as requested.

PROGRAM SPECIFIC REQUIREMENTS

CDBG

1. Identify program income expected to be received during the program year, including:
 - amount expected to be generated by and deposited to revolving loan funds;
 - total amount expected to be received from each new float-funded activity included in this plan; and
 - amount expected to be received during the current program year from a float-funded activity described in a prior statement or plan.

The City expects to receive \$2,030.00 from Lynchburg Redevelopment and Housing Authority (LRHA) from an amortized loan which was described in a prior plan.

2. Program income received in the preceding program year that has not been included in a statement or plan.

The City does not have any prior year program income that has not been included in a plan. However for the 2010 plan, the City has made adjustments for the over-stated program income expected to be received in the 2008 and 2009 plan years.

3. Proceeds from Section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in its strategic plan.

The City does not have any proceeds from a Section 108 loan guarantee.

4. Surplus funds from any urban renewal settlement for community development and housing activities.

The City does not have an urban renewal settlement.

5. Any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.

The City returned \$63,266.00 in grant funds from LRHA. The funds had been used as an escrow deposit for property to be purchased. However, the purchase of the property did not proceed as planned and the funds were returned to HUD. These funds are being re-allocated in the 2010 plan.

6. Income from float-funded activities.

The City does not have any float-funded activities.

7. Urgent need activities, only if the jurisdiction certifies.

The City does not have any urgent need activities.